

**New Jersey's Clean Energy Program  
Energy Efficiency Committee Meeting  
Wednesday November 4, 2009  
Hosted by Honeywell – CSG, Iselin**

**Attendees:**

Mike Ambrosio (AEG)	Anne Marie Peracchio (NJNG)	Mona Mosser (NJ BPU)
Mike Winka (BPU)	Roger Kliemish (TRC)	Dave Holland (Honeywell)
Dawn Chaplin (Honeywell)	Sherri Jones (BPU)	Deane Evans (NJIT)
Nikki Kuhn (VEIC)	Bob Kudrick (NJNG)	Kimberly Hoff (CSG)
Bruce Grossman (SJG)	Toria Williams (Honeywell)	Brian Dolan (Intellidyne)
Yennaira Ortiz (Honeywell)	Maria Grazul (CSG)	Joe Gennello (Honeywell)
John Zarzycki (BPU)	Conor Fennessy (NJ Apar. Assoc.)	Jeff Miller (QuadrillionSolar)
Chris Bitters (EnergySolve)	Julie deSeve (CSG)	Cheryl England (ETG)
Ruben Brown (The E Cubed Co)	Eileen McGinnis (WSG)	Fairlie Firari (TRC)
Chris Neme (VEIC)	Brian Bovio (Bovio Heating)	Drew DePalma (M&E Engineers)
Tom Pecora (Honeywell)	Joe Navarra (BC Express)	Darren Port (DCA)
Dale Congo (5th Street Renewable Energy Holdings Inc.)	Alice Napoleon (Synapse Energy Economics, Inc.)	Kimberly El-Sadek (NJ HFMA – Green Homes)
Jill Sherako (Eastern Heating and Cooling Council)	Mary Sheehy (Joint Supporters NAESCO & NJ HMFA)	Jim Price (Comfortable Energy Efficient Homes)

**Via Phone:**

Diane Zukas (TRC)	Elaine Bryant (PSE&G)	Mary Jo Boyd (CSG)
Linda Wetzel (AEG)	Ben Jackal (TRC)	Tom Donadio (JCP&L)
Chelsea Albucher (City of Newark)	John Malanga (TRC)	Paul Gibeault (Spiezle)
Anglela Mason (City of Newark)	Grace Kurdian (McCarter & English)	Michael Perri (A.J. Perri Inc.)
Scott Sillars (Isles Inc.)	Ed Carr (EIC Comfort Home)	Mark MaGrann (MaGrann)
Christine Hoh (DH Services Group, Inc.)	Don Kliemisch (Energy Consulting Group, LLC)	Al Luster
Steven J De Franco (Johnson Controls)	Mark Sussman (EarthTech Energy Solutions)	Steve Tesoriero (Renewable Resource Systems)

**Introductions**

**Program Coordinator and Regulatory Updates**

Presenters: Mike Winka and Mike Ambrosio

Presentations: 2nd Revised 2009 Renewable Energy Program Budget

- Working diligently on getting new programs up and running, including the reporting functions necessary.
- **KEMA** finalized its **Impact Evaluation** and there is a link on [www.njcleanenergy.com](http://www.njcleanenergy.com)
  - KEMA made numerous recommendations to protocols.
  - Rutgers took recommendations from KEMA and redlined the current version of protocols. There is a meeting at Rutgers tomorrow about proposed changes. A hearing is scheduled for Friday chaired by Commissioner Randall. Then there will be a few informal meetings after that. The Market Manager will have input on the “holes”. Asked to try and get them in the next 2 weeks.
- December 16<sup>th</sup> is the Board Agenda meeting and target date for 2010 programs and protocols.
- Schedule for 2010 plan review. Today is last committee meeting before they get finalized. Targeting a Dec 16 board meeting.
- Today is the formal deadline for responses on the 2010 plans to TRC/HW.

- **2<sup>ND</sup> Revised 2009 funding** levels items noted by Mike Ambrosio.
  - These are suggested changes and are not yet approved.
- **OCE Oversight Budget** – Just a few minor changes. This budget order will be in front of Board next week.
- **State Economic Stimulus** – OCE is coordinating on the reporting aspect of it. Goal is to have one combined report and to make public.
- **Federal Economic Stimulus** – Submitted full application.
  - Appliances (Mona Mosser) – The full application has been submitted and is under review by the DOE and they have come back with questions. OCE is in the process of answering.
    - Commented that many are inquiring on where money/programs are and it seems like they do not know what is already available.
  - Did not get exclusions expected to in terms of environmental review. Could potentially have to fill out more paperwork and submit to DOE and wait month's maybe even years to find out if it needs environmental impact statement. Trying to get categorical exclusions. Rewritten narrative worksheets are being resubmitted this week.
  - Block Grants - The State awaits further guidance from the DOE on program details.

### **Utility Compliance Filing**

JCP&L, RECO and ACE are all in process of being evaluated. JCP&L is slated for Nov 19<sup>th</sup> agenda. RECO for the 16<sup>th</sup> at this point in time. Unsure about ACE.

- **NJNG** (Bob Kudrick) – There has been a series of marketing campaigns over the last 2 months on the SAVE GREEN projects, including bill inserts, 145 direct mail pieces, 2 contractor meetings and they will also be visiting contractors as well. Currently there are 8 auditors certified with 2 more to go. So far 200+ audits in last month and they just issued their 100<sup>th</sup> rebate. Only 1 loan so far. Noted specifically BC Express's communication on frustrations and was happy to report that they have gotten through the QC process and is now doing every 10<sup>th</sup> project. Noted they are receiving lots of positive feedback and that the program has been met with good acceptance. Expecting the 'floodgates' to open from the marketing campaigns etc..
- **SJG** (Bruce Grossman) - They are working with Honeywell and CSG to develop the linkages that they need to get the rebates out the door. Approx. a dozen or so audits have been performed so far. Value of the projects is running in mid teens to \$20K. Commercial programs – currently working with the bank on Direct Install. They are technically ready to pay today for SmartStart. Also noted how the SJG website has been revamped to "Your Road to Savings" which is essentially an interactive game to take you through various mile markers showing the process and at each point offering different information (e.g. energy savings tips, carbon footprint, incentives, NJCEP link, etc.).
- **E-town** (Cheryl England) – Finding a lot of submissions, but not as many as they wanted. Missing paperwork is slowing down the process. 3 are about to get checks. Right now working with Sale Reps on education. 2 auditors need field training still. Working on getting natural gas contractors to be BPI certified. About 14 to 20 will go through training in Dec. for this territory.
- **PSEG** (Elaine Bryant) – Whole House program year to date has almost 1400 Tier 1's and has referred 1150 to Comfort Partners. Additionally, there have been 676 Tier 2's. They now have a Tier 3 vendor who is now contacting Tier 2 customers to see who would like to move to Tier 3. Noted that Community outreach has been very successful and response rates are higher than normally experienced and they are assessing now to get a better understanding of this. Hospital - 1 hospital has moved to contract and committed funds for 2 to 3 others by end of year. Multi Family – first solicitations have come in.
  - **Open Issue** – Do customers in UEZ zones have the right to choose which program they want to enroll in (e.g., can they enroll in HP if they do not want to do the PSE&G one). Current Board approved language may not allow it. However, probably should allow the customers to choose. This needs to be resolved.
- Dave P. (ACE) - Currently do not have the green light to proceed. Would like to thank Bruce Grossman and SJG for their collaboration and support, as well as everyone who has been working with them in this development.

## Commercial / Industrial Programs

Presenters: Roger Kliemish

Presentation/Handout – EE Committee Meeting Nov 4, 2009 TRC

- **Schools** - Approved applications are ahead. Completed projects are ahead.
- **New Construction** - Completed projects are behind. There has been a slow down in completions.
- **Existing construction** completed projects are behind as the market is not moving.
- **Pay for Performance (P4P)** – 47 applications received, 8 ERP's received to date. Some are fairly large at over 300K.
  - Cleaning up the definition still. Change target market from “an average annual kW demand of more than 200 kW” to “an average monthly peak demand in excess of 200 kW in any of the preceding 12 months”.
  - Includes incentive for CHP powered by Class 1 renewable fuel source. Budget provided by REIP program and TRC is working with Larry Barth and team.
- **Direct Install** - Program development ongoing with launch targeted for mid November.
  - Turn-key program to be delivered statewide by ~7 contractors selected through the RFP process.
  - Finalizing cost benefit testing.

Question to PSE&G about how assessed. Elaine Bryant (PSE&G) noted as by measure. If a measure does not pass it does not get funded. Noted that there needs to be discussions on this topic.

- **Local Government Energy Audit Program (LGEAP)** - Almost at goal. 1,937 applications received over 225 entities. Entities defined as anything encompassing a group of buildings, except schools which are separate (e.g. municipalities, counties, townships).
  - Change from a two phase incentive (75% up front, 25% upon installation of measures) to a one phase incentive. The program will provide 100% of the cost of the audit up front. If measures are not installed within 12 months to cover the 25% balance, the entity will have to repay the balance to the BPU.
  - LGEAP approved audits still low at this time.
- **Proposed Program changes for 2010 – Geothermal (GSHP)** – 1) Modify the existing incentives to a tiered structure and 2) pay more for higher EER equipment to drive more savings. There needs to be an assessment done on whether or not it should be EER or COP's.

## Residential Programs

Presenter: Joe Gennello

Presentation/Handout – Honeywell Update Mtg 11-04-09 & NJMEE HPwES @ EE Committee Update

1. **Home Performance** (Julie deSeve) – Large increase over the last 2 months. In Oct. they processed over 400 work scope approvals to contractors which is more than double from previous months.
  - a. Currently 351 work scope approvals in queue.
  - b. Currently only 15% are missing paperwork which has been a tremendous improvement over the 60% found in the earlier stages of the program.
  - c. Close to 500 jobs in completion and in the queue for QC review.
  - d. Approx. 4,500 Tier 1 completions with about 500 of those done by internal auditors.
  - e. Tier 3 completions are a little low, but they are expected to exceed goals by the end of year.
  - f. Average Work Scope Approved = \$13,618.00 & Average Customer Rebate = \$6,561.00
  - g. Mary Sheehy (Joint Supporters NAESCO & NJ HMFA) asked about multifamily. Julie deSeve responded saying they are seeing a quite a bit on the small multifamily - on an average about one a week. Noted one they are specifically working with HFMA on and it looks like they should be able to include it in the program – currently waiting for the contractor to finalize.

- h. Bruce Grossman (SJG) requests that the participation numbers be made available by zip code. Julie advised it probably could be done and she would look into (noted that it would not be a quick turnaround though).
  - i. Question arose about common reasons for failures and Julie advised it is from different things, such as issues with contractors using subcontractors not trained in the program, etc. Someone on the phone requested that HP develop a 'Tips and Tricks' document for the contractors for their upcoming training next Monday. Julie will do so.
  - j. Contractor training are now being planned for January.
  - k. Seen an obvious increase in loans, as historically the program structure was to choose cash back or loan and not an option on both.
    - 1) Average Approved Loan = \$7,720.00
    - 2) Loan denials are primarily due to low credit scores.
    - 3) Mona Mosser (BPU) asked if EFS was holding those that would potentially fit into the future HFMA program. Julie explained that the customers are receiving a denial letter now and that the plan is to contact them when the HFMA program becomes effective.
      - a) HFMA programs need a signed MOU. Attorneys are working on lots of open questions. May not make the Nov. agenda as originally planned.
    - 4) Mona Mosser also asked if there had been an added requirement to that of the credit score by EFS that wasn't there before (arose from a customer comment). Julie advised no changes and that the credit score was not the only requirement, but also the cash to credit ratio.
  - l. Question asked about under what conditions someone may move ahead in the queue, if any. Julie advised there are certainly emergency conditions (such as loss of heat) that they are happy to address. Contractors/customers can call us through the 866.NJSMART line to advise.
    - a) Brian Bovio (Bovio Heating and Cooling) advised that he has had such situations arise and has received rush approvals quickly.
  - m. HP has initiated the phasing out of the Market Manager of the auditing role and the goal it to be completely transitions to a QA role by end of this year, beginning of 2010.
  - n. Planning on a contractor meeting for next Monday.
2. **RNC** – New enrollments is tailing off and completions down a bit.
  3. **Clothes Washers and Dehumidifiers** – Applications continue to run above goals.
  4. **CFL** – The program is just kicking in now and should be near goal by end of year.
  5. **Room AC** - Below goals as impacted by this summers weather.
  6. **Appliance Recycling** – Very aggressive goal originally and have adjusted slightly. Currently below goal, but noted that the program really did not start until August.
  7. **HVAC** - Still seeing good numbers on WARM. COOL is off by about 50% due to this summer's weather.

## **NJ DCA BPU Compliance Filing**

Presenter: Darren Port, DCA

Presentation/Handout – Department of Community Affairs, Division of Codes and Standards (DRAFT)

1. Plan to adopt a building energy code for residential building that meets or exceeds the most recently published International Energy Conservation Code (IECC) and for commercial buildings, a building code that meets or exceeds ASHRAE 90.1 -2007 within 8 years of the enactment of the ARRA. Noted as the most ambitious code in quite awhile.
  - a. The technology, construction methods, test methods and some of the products are new and builders, contractors and code officials will need training to achieve full compliance.
    - 1) The major changes to the code (e.g., climate zone changes, thermal bypass checklist, mandatory duct pressure testing, 50% of the lamps have to be energy efficient.) is why DCA says they cannot use other methods of notification as they have done in the past (e.g., bulletins, elective classes, etc). What also will be requirement is a certificate or label which states energy efficiency levels such as insulation.
  - b. Request for funds to conduct mandatory training for nearly 4,000 licensed building and engineers.
  - c. DCA does not intend to have code officials to do the diagnostic testing and have the open market do it.
  - d. Darren also noted why they were requesting funding through this, saying originally they requested the funds through the ARRA money
  - e. What is benefit of Board funding? In the past there has been some elective training. These funds will allow them to make training mandatory. Percent in savings is 13 to 14 percent savings, but only will happen if there is compliance with the code.
  - f. Staff agrees there may be other ways to fund this. Mike Winka (BPU) wants to look into what NEEP can do. Question arose if there was also room in the RNC budget to which Joe Gennello (Honeywell) advised there is some room in there.
    - 1) Chris Neme (HW / VEIC) – Some of this may have been looked at it and there may be some info they can provide. He will look at what analysis may have been done.
    - 2) Mona Mosser (BPU) assigned with follow up.
2. Additional legislation has passed which will enable the DCA to enhance the Uniform Construction Code (UCC).
  - a. This will allow DCA to raise the energy code and the code officials will need to be trained on those as well.

## **2010 Budgets and Compliance Filings**

1. SJG Filing (Bruce Grossman) - Low Income Comfort Partners filing sent out. Proposing to go further than what they did in 2008 trying to extract deeper energy savings. The reason why the spending guideline was increased is to be more congruent with others who have higher amounts. Now just seeing homes come into the pipeline for that. In looking at 2010, question of how much are they are going to spend. Lots of negotiating went on to come up with the proposed number.
  - a. Board staff discussions had, given the large influx of ARRA. Staff feeling was to look at it and spend next year looking at it to see if DCA can take over or if there are other approaches. Overall directive to keep as is for 2010 and assess last 20 years and look at different approaches.
  - b. Question arose if utilities should build into their filing or do they want separate. Bruce Grossman (SJG) says they have included it in the budget. Currently, would like to work with DCA with SJG. We'd have to ask DCA on their take.
  - c. Mike Winka (BPU) says why not take the approach of 'Here's the dollars you run the program'?
  - d. Anne Marie Peracchio (NJNG) wanted to make the overall point to ensure sure we do not miss certain people in whatever approach is decided.

- e. Bruce Grossman (SJG) – One of the proposals that still needs to be looked at is requirements regarding audits and other assistance programs (USF). recognizing there are some scenarios that will not apply. There has been much resistance. Bruce noted that concerns that come up are not issues in the few states that do this. Mike Winka advised there needs to be an assessment of the option/
- 2. Question arose about whether or not Rockland would get back into Comfort Partners. Per Mona Mosser (BPU) they are not, but entering into similar programs that are at least as comprehensive.
- 3. CleanPower Choice decisions need to be made. Question as to whether or not to keep it or have it run itself or look at somewhere in-between. A lot of work needs to be done and conversations on this are planned this afternoon.
- 4. Mary Sheehy (Joint Supporters NAESCO & NJ HMFA) asked about the incentive to going to homeowner for the New Construction Multifamily Pilot. Joe Gennello advised we are still working on the logistics. It may need to work through the builder to the consumer. More to follow.
- 5. Mary Sheehy – On Oct 9th HFMA presented on an add on to Mortgage Product and wanted to know more about potential decisions. Mike Winka (BPU) advised they are still looking at.